



U.S. Immigration
and Customs
Enforcement

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News Release

Accused Leader of Counterfeit Motion Picture Network Pleads Guilty to Conspiracy to Traffic in Counterfeit Goods

Guilty Plea Stems From First Joint IPR Investigation by ICE and Chinese Authorities

GULFPORT, MS.— Michael A. Holt, Special Agent-in-Charge for U.S. Immigration and Customs Enforcement (ICE) in New Orleans, and Dunn Lampton, United States Attorney for the Southern District of Mississippi, today announced that a man arrested on charges resulting from the first joint Intellectual Property Rights (IPR) investigation by U.S. and Chinese authorities has been convicted in federal court in Mississippi.

Earlier today, Randolph Hobson Guthrie III, a U.S. citizen, entered a plea of guilty to Count One, (Conspiracy to Traffic in Counterfeit Goods) and Count 18 (the forfeiture of \$823,833.00 to the U.S. government) of an 18-count criminal indictment. Guthrie faces a possible prison term of up to five years imprisonment and a possible fine of up to \$250,000.00. Sentencing is scheduled for March 14, 2006 in the Southern District of Mississippi.

The investigation that led to charges against Guthrie began in September 2003 when undercover ICE agents from Gulfport, MS, purchased counterfeit DVDs at a Mississippi flea market. Ultimately, the investigation, known as “Operation Spring,” grew to include the ICE Attaché in China, the ICE Special Agent-in-Charge Office in Houston, the National Intellectual Property Rights Coordination Center in Washington, D.C. and the Internal Revenue Service – Criminal Investigations Division. Chinese law enforcement soon joined in the investigation, turning the case into the first undercover investigation conducted jointly by ICE and Chinese authorities.

In July 2004, officers from the Chinese Ministry of Public Security and the Shanghai Public Security Bureau carried out enforcement actions in China that led to the arrest of Guthrie and five others, as well as the seizure of more than 210,000 counterfeit motion picture DVDs and the destruction of three warehouses used to distribute pirated DVDs.

Guthrie and another U.S. citizen, Abram Thrush, were subsequently convicted in China in April 2005 on charges of selling and distributing more than \$840,000 worth of pirated motion picture DVDs via the Internet to more than 20 nations around the globe. Chinese prosecutors maintained that Guthrie had illegally sold some 180,000 pirated DVDs around the globe through eBay.com and a Russian based website at www.threedollardvd.com. Guthrie was sentenced to 30 months in Chinese prison, fined approximately \$60,000 and deportation upon the completion of his sentence.

In late September 2005, Chinese authorities expelled Guthrie to the United States. ICE agents arrested Guthrie upon his arrival in Los Angeles pursuant to an 18-count indictment that had been issued against him in the Southern District of Mississippi in July 2005. The indictment charged Guthrie with conspiracy, smuggling, trafficking in counterfeit goods, money laundering conspiracy, criminal forfeiture, and criminal copyright infringement violations.

Ultimately, Guthrie appeared in court in Mississippi to face the criminal charges against him there. Today, he entered his guilty plea before Federal District Judge Louis Guirola, Jr.

“Today’s guilty plea caps an extensive investigation that we are extremely proud of at ICE. As the first joint Intellectual Property Rights investigation by ICE and Chinese authorities, this landmark case will serve as a roadmap for future international investigations into these matters,” said New Orleans ICE Special Agent-in-Charge Michael A. Holt.

U.S. Attorney Dunn Lampton commended the ICE agents, IRS agents, and Assistant U.S. Attorney Jay Golden for their superior efforts in bringing Guthrie to Justice. Lampton pointed out that AUSA Golden has developed an expertise in this type of case, and has been used by the Department of Justice to help train both other American prosecutors as well as prosecutors from other nations in developing criminal cases to heighten enforcement against intellectual property theft.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.